

Oil & Gas Program Leaking Underground Storage Tank Cleanup Program

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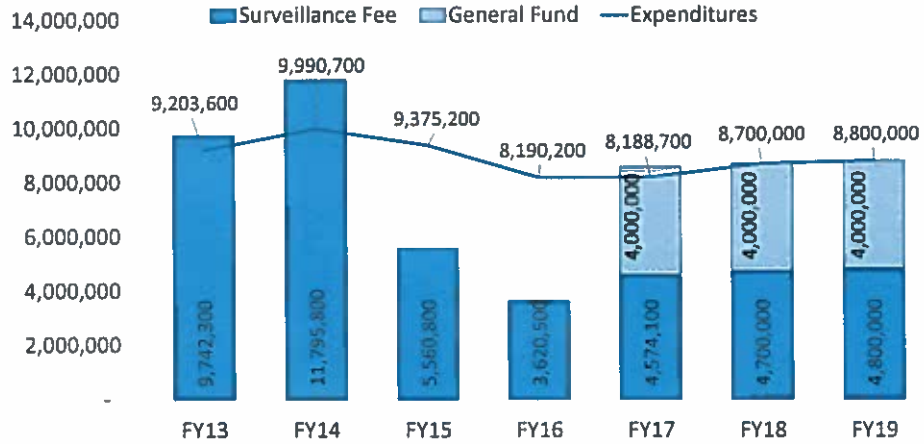


Oil & Gas Program

- Oversee 20,000 active wells
- Respond to 100 spills annually
- Issue 80 new permits annually



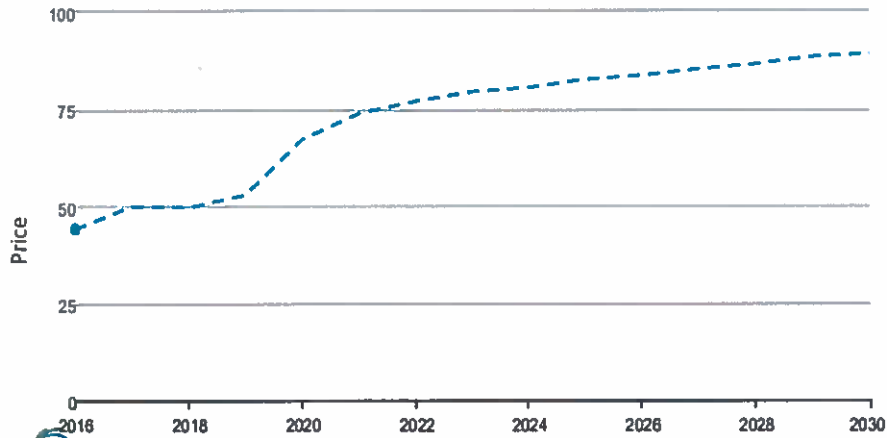
Provide Ongoing Support for Oil & Gas Program



* The oil & gas industry also pays \$20 - \$60 million annually in the form of a severance tax that is deposited in the general fund.



National Oil Price Trends

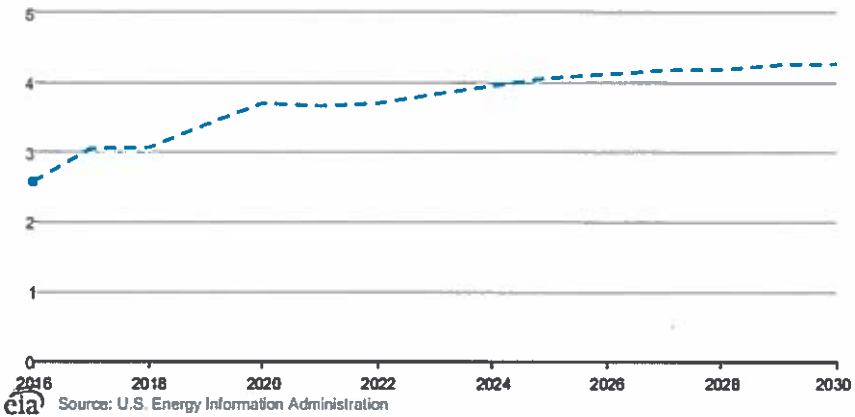


Source: U.S. Energy Information Administration



National Gas Price Trends

Case: Reference case
2017 \$/MMBtu



Revenue Scenario

- Based on best available national projections, \$4 million general fund is still needed
- If prices were to double, projected revenue might nearly cover core program costs but it would not restore the \$7 million target fund balance as established in statute.

	National Projection	With Prices Doubled
Oil Price per Barrel	\$ 46.37	\$ 92.74
Gas Price per Million BTU	\$ 2.12	\$ 4.24
Program Revenue	\$ 4.5 million	\$ 9 million



Leaking Underground Storage Tank Programs

- Part 213 – Leaking Underground Storage Tank
- Manages risk, revitalizes properties, and protects public
- Provides technical assistance



Leaking Underground Storage Tank Programs

- Part 215 – Underground Storage Tank Cleanup
- Part 215 – Legacy Releases
- Part 215 – Public Highway Cleanup

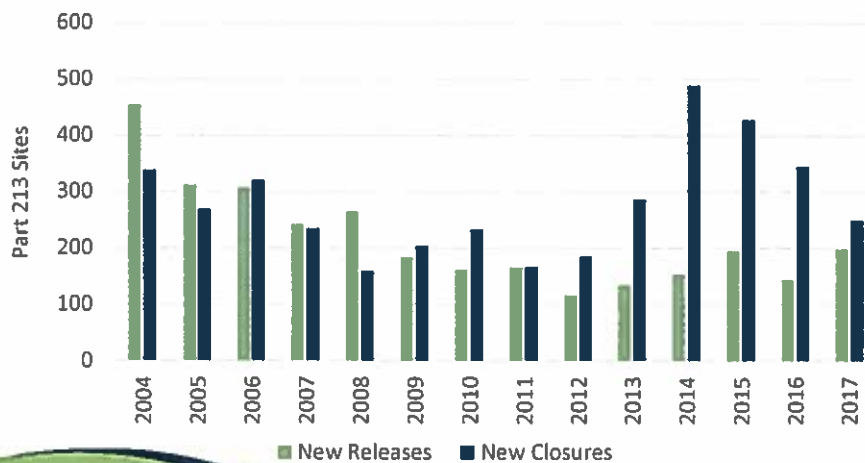


Leaking Underground Storage Tank Program Funding

- One cent per gallon on refined petroleum products sold for resale or consumption in the state
- Generates over \$50 million
 - First \$20 million goes into Underground Storage Tank Cleanup fund for the part 215 programs
 - Remaining revenue is deposited in the refined petroleum fund



Closures vs Releases



Underground Storage Tank Cleanup Fund Metrics

Fiscal Year	Claims Approved	Invoices Reviewed	Expenditures
2016	18	24	\$2,979,526
2017	96	202	\$3,159,150
2018 (YTD)	67	185	\$3,306,797
Totals	181	411	\$9,445,473



Legacy Releases Metrics

Fiscal Year	Claims Approved or Pending Review	Invoices Reviewed	Expenditures	Number of Releases Covered
2018	698	79	\$1,002,192	955



Summary

- Oil & gas program & the leaking underground storage tank cleanup programs are focused on
 - Environmental stewardship
 - Economic development
- Programs work collaboratively with industry to assure success
- \$4 million ongoing general fund support for the oil & gas program is being requested



Questions

